NED KELLY

Ned Kelly Hotel, Restaurant & Bar | Background Information

info@nedkellymyanmar.com

REF: v6.1801

Executive Summary: Ned Kelly

International standard hotel of **42 beds**

Myanmar's 1st **Irish Bar & Restaurant** (with an Australian twist) **seating 200**

Targeting **fastest growing segment** of the Tourist Industry: cost-conscious travellers seeking adventure

$750,000 Capital Investment

60 employed during 3 month renovation and development

34 Permanent Local Staff during operations

Career opportunities with other group *Food, Beverage & Hospitality* operations

Industry training and **service levels of excellence**

Responsible procurement, local suppliers, low impact

An Urban Retreat, Restaurant and Bar

The Ned Kelly Concept

Named after Australia’s most famous Irish Bushranger who made is own armour

Ned Kelly’s gang *"weaved a certain halo of romance and rough chivalry around themselves”*

In the time since his execution, Kelly has been mythologised into a Robin Hood character, a cultural icon and a figure of working-class resistance to the establishment



"As game as Ned Kelly" is an Australian expression for bravery

"Ned Kelly beard" is now used to describe a trend in hipster fashion

Ned Kelly's building

Turning an old property it into an icon for Mandalay



Myanmar Tourism

HISTORY

Myanmar's history can be traced back to the 2nd century when the Rakhine ruled the west coast and Pyu civilization flourished in the central regions. Throughout the years great kingdoms came and went until the Third Myanmar Empire fell in 1885 to the colonial British; Myanmar subsequently regained independence in 1948.

For many years thereafter Myanmar disappeared behind a wall of self-isolation, and only recently reopened its doors to the outside world, revealing the country's unique culture and stunning scenery to new generations of visitors.





Myanmar Tourism

CULTURE & RELIGION

85% of Myanmar's population practices Buddhism, but there are substantial numbers of Christians, Hindus, Muslims and animists throughout the country. It is therefore not unusual to see pagodas, churches, mosques and temples standing together in a single neighbourhood. Spirit worship also exists side-by-side with Buddhism, as these minor gods are believed to be disciples of the Buddha's teachings.

Aspects of Burmese culture are most apparent in religious sites. The country has been called the "Land of Pagodas" as the landscape is dominated by Buddhist pagodas or stupas.







Myanmar Tourism

LANGUAGE & DRESS

There are more than 100 ethnic groups in Myanmar, all with their own languages and dialects. The majority speaks Myanmar (Burmese), although English is widely spoken in urban areas and tourist hubs like Yangon and Mandalay. Helpful tour guides that speak major foreign languages can be booked through your tour operator. The traditional Burmese greeting is “mingalaba” (roughly translated as 'auspiciousness to you'). Greetings such as "Have you eaten?" are still common.

The typical garment of the Burmese is the longyi, a sarong worn by both men and women. In urban areas, skirts and pants are becoming more common, particularly among the young.





Myanmar Tourism

LIFESTYLE

There are twelve months in the traditional Burmese calendar and twelve corresponding festivals. Most of the festivals are related to Burmese Buddhism and in any town or village the local paya pwè (the pagoda festival) is the most important.

Football is the most popular sport in Myanmar. Similar to football, Chinlone is an indigenous sport that utilises a rattan ball and is played using mainly the feet and the knees, but the head and also the arms may be used except the hands.

Burmese cuisine has been influenced by Indian, Chinese and Thai cuisines as well as domestic ethnic cuisines. A typical Burmese meal consists of several meat curries, a soup, steamed rice and fermented sauce of preserved fish, along with vegetables for dipping.







Myanmar Tourism

GEOGRAPHY

Myanmar is geographically the largest country in Southeast Asia. Rich not only in traditions, Myanmar's fertile land is crossed by a number of rivers that are used for transportation, irrigation, and also as a source of food. Myanmar's primary river artery is the Irrawaddy, often referred to as the Ayerawady.

Mines have yielded some of the world's finest rubies and imperial jades, while the sea off the southern coast is prime breeding ground for cultured pearls of excellent lustre.







Mandalay Tourism

Myanmar's second-largest city is yet to realise its tourist potential

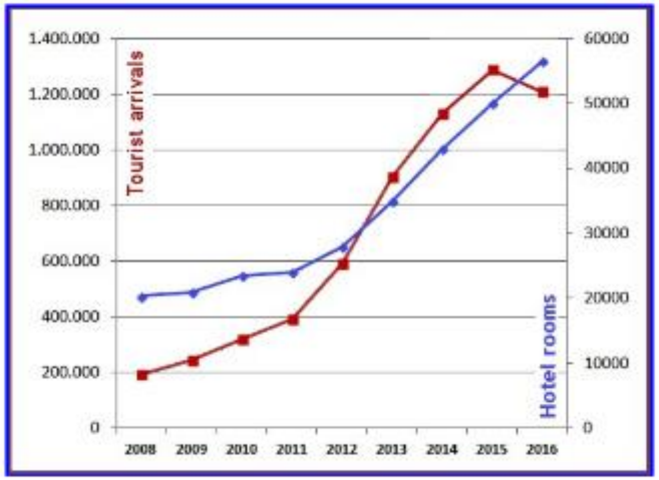
Mandalay is not only a cultural city but also a centre for Buddhism studies. It was the last capital of Myanmar kingdom and boasts landmarks including Kuthodaw Pagoda, the "world's biggest book" (729 stone slabs of Buddhist sculpture), Mandalay Hill & Myanansankyaw Royal Palace. The immediately accessible area also includes mountains, rivers, waterfalls and nearby historic towns.

In Mandalay one can study Myanmar art and crafts of Shwechihto (golden-Weaving), silk weaving, wood, marble & stone carving, bronze casting. Key sites of historical, religious and architectural significance in the city alone include:

Golden Palace Monastery (Shwenandaw Kyaung), Kuthodaw Pagoda & the World's Largest Book, Mahamuni Pagoda, Mingun Pahtodawgyi, Sanda Muni Paya, Bargaya Monastery, Maha Myat Muni Pagoda- Mahamuni Buddha Temple, Maha Aung Mye Bon Zan Monastery, Mandalay Palace, Mandalay Fort, Mandalay Central Railway Station, Mya Khanauk Summit, Mandalay Hill, Yankin Hill, Jade Market, Pinya Stupa Ruins, Gold-Pounders' District, Sacred Heart Cathedral, Flower Market, Sacred Heart Cathedral, Cultural Museum & Library, Artisan workshops and showrooms, U Bein Bridge, and more.

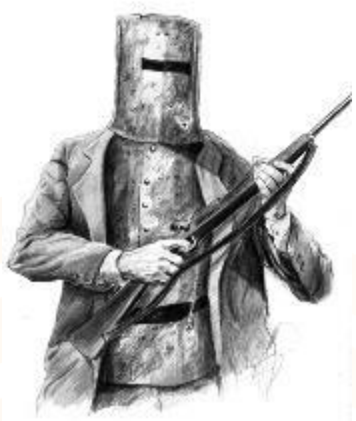
	2011	2015
Yangon	7934	15434
Mandalay	3181	6788
Bagan	2008	2565
Nyaung Shwe	937	2438
Mawlamyine	194	730
Total rooms	**14254**	**27955**

Myanmar hotel room numbers for selected regions (2011 & 2015)



Myanmar tourist arrivals international airports (2008-2017)

The Ned Kelly Experience



Ned Kelly's famous homemade suit of armour

Ned Kelly will offer a **fun quality environment** for travellers to enjoy
Great dining and bar experience for visitors and Mandalay residents

42 beds in private room accommodation, modern bathroom facilities
Lounge areas with large screen TVs, computer stations and sofas

Ground floor restaurant serving western comfort food and local delicacies
Rooftop bar overlooking Mandalay Palace with adventurous cocktails and snacks
Big screen **sports, pizza oven and great music** from local and touring bands

Motor Bike and Push Bike hire for **exploring Mandalay** and surrounds
Tour and travel **bookings with a focus on adventure and eco-tourism**

The Ned Kelly Experience

The bedrooms will be an urban retreat allowing for relaxation in comfort. The Rooftop Bar will be the **go-to gathering place** for Mandalay's visitors and residents looking for great food, excellent service and a unique atmosphere.









Configuration: ground floor

- Restaurant
- Reception
- Business Corner
- Information Desk
- Kitchen
- Office
- Pizza Oven
- Outdoor dining
- Toilets
- Staff quarters
- Generator
- ATM



1 GROUND FLOOR
SCALE 1:100 @ A3

Configuration: first floor

6 two-bed rooms
2 three-bed rooms
1 four-bed room
Capacity = 22
TV Lounge



Configuration: second floor

Computer lounge
6 two-bed rooms
2 four-bed rooms
Capacity = 20
TV lounge
Private double



Configuration: rooftops

Bar

Roof dining

Private functions



Configuration: rooftops



Operations

Ned Kelly will boast 5 main revenue streams

1. Hotel bed nights
2. Private tour bookings
3. Ground floor restaurant
4. Rooftop bar and dining
5. Private events spaces



Competition

Primary

- Ostello Bello (120), international approach
- Four Rivers B&B (40), developing an atmosphere



Secondary

- Downtown @ Mandalay (20)
- ACE Star BNB (40)



Tertiary

- Mandalay's homestay and small guesthouse suppliers
- Higher-end hotels offering packages and large discounts

Sales, Marketing and Promotions

Differentiation

Myanmar's **1st Irish Pub & Restaurant** (with an Aussie twist)
Ned Kelly is an **attitude to life**, an approach to FB&H, and a daring brand
Only hotel with a **high-quality**, high-footfall restaurant and bar
A venue with an energy towards travel, good food and **having a great time**



Integrated marketing focus

Local and international tourism **listings and agents**
Global **booking engines** (Hotelworld.com, Booking.com, etc.)
Full-suite digital marketing
Channels through Restaurant & Bar marketing
Private **function hire areas** and overnight specials
Guide books and **feature publications**
Festival packages and specials
Tour packages unique to the Group



Financial Summary

	Hotel	Restaurant & Bar	Total
Guest Numbers (annual receipts generated)	7 598*	72 800**	**80 398**
Capital Expenditure	$ 297 519	$ 446 278	**$ 743 797**
Turnover	$ 206 339	$ 764 400	**$ 970 739**
Payroll	$ 63 700	$ 119 600	**$ 183 300**
Local Purchases - construction	$ 178 511	$ 267 767	**$ 446 278**
Local Purchases - annual	$ 235 893	$ 625 965	**$ 861 859**
Employees	11	23	**34**

Renovation all floors	$ 307 419
Fittings, fixtures, equipment	$ 436 377
TOTAL	**$ 743 797**

Illustrative benchmarks:

**0.6% of Myanmar's 2016 International Airport tourist arrivals [1.2m]; or 2% of Mandalay's 2016 Foreigner Arrivals from all modes [385000] (assuming one guest night per arrival)*

***as a proxy, this represents car owners in Mandalay visiting the Restaurant & Bar 9 times per year (excluding foreign and non-car owning middle-upper class residents)*

Revenue: Hotel

			APR-SEP	OCT-NOV & FEB-MAR	DEC-JAN
		Available nights	*181*	*118*	*62*
Room	**Number of beds**		**Room Rate Low ($)**	**Room Rate High ($)**	**Room Rate Peak ($)**
Level 1: Room 1	2		$ 30	$ 50	$ 80
Level 1: Room 2	2		$ 30	$ 50	$ 80
Level 1: Room 3	2		$ 30	$ 50	$ 80
Level 1: Room 4	2		$ 30	$ 50	$ 80
Level 1: Room 5	2		$ 30	$ 50	$ 80
Level 1: Room 6	2		$ 30	$ 50	$ 80
Level 1: Room 7	3		$ 45	$ 75	$ 120
Level 1: Room 8	3		$ 45	$ 75	$ 120
Level 1: Room 9	4	*(Level 1 beds = 22)*	$ 60	$ 100	$ 160
Level 2: Room 1	2		$ 30	$ 50	$ 80
Level 2: Room 2	2		$ 30	$ 50	$ 80
Level 2: Room 3	2		$ 30	$ 50	$ 80
Level 2: Room 4	2		$ 30	$ 50	$ 80
Level 2: Room 5	2		$ 30	$ 50	$ 80
Level 2: Room 6	2		$ 30	$ 50	$ 80
Level 2: Room 7	4		$ 60	$ 100	$ 160
Level 2: Room 8	4	*(Level 2 beds = 20)*	$ 60	$ 100	$ 160
Total beds (17 rooms)	**42**				
Bed nights available /yr	15330		**Low**	**High**	**Peak**
Bed nights sold /yr	7598	**Occupancy**	**30%**	**60%**	**90%**
Global average occupancy	50%	**Revenue**	**$ 34 209**	**$ 74 340**	**$ 93 744**
		Inbound sales	**$ 4 046**	**Total revenue**	**$ 206 339**

Revenue: Restaurant & Bar

Lunch & Dinner only (breakfast not modelled for brevity)

Trading days per week		7
Number of meals full trading per day		2
Seating Capacity (Ground and Roof)		200
% seats occupied per day (all seasons)		50%
Checks per year		**72 800**
% customers having full meals		70%
Average meal spend	$	10
% customers drinking alcohol		70%
Average drink spend	$	5
Food Sales per year	**$**	**509 600**
Alcohol Sales per year	**$**	**254 800**
Total Sales per year	**$**	**764 400**

Income & Expenditure (1 year average)

Revenue	Hotel	$	206 339
	F&B	$	764 400
Total Revenue		**$**	**970 739**
Cost of sales	Hotel	$	20 634
	F&B	$	242 060
Total Cost of Sales		**$**	**262 694**
Overheads	Payroll	$	183 300
	Admin	$	19 600
	HR and Training	$	23 064
	Marketing	$	72 537
	Property	$	71 000
	Utilities	$	48 537
	Other	$	59 015
Total Overheads		**$**	**477 053**
Total Expenses		**$**	**739 747**
Earnings		**$**	**230 992**
Earnings margin			**23,8%**

Financial Feasibility (10 years)

Conservative average annual occupancy assumptions:

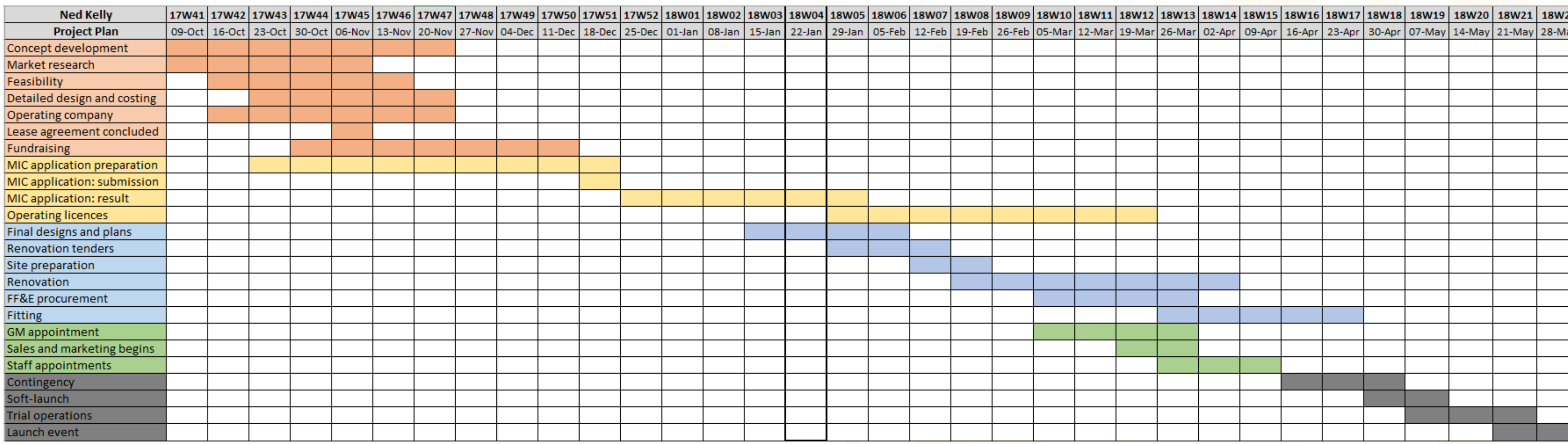
50% Restaurant & Bar

38% Hotel (Low 30%, High 60%, Peak 90%)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Total Revenue ($)	970 739	1 034 564	1 102 650	1 175 286	1 252 779	1 335 457	1 423 672	1 517 799	1 618 238	1 725 418
Total Expenses ($)	739 747	763 825	805 609	849 982	897 110	978 566	1 031 737	1 088 222	1 148 233	1 211 995
Earnings ($)	230 992	270 739	297 041	325 303	355 669	356 891	391 935	429 576	470 005	513 422
Earnings margin (%)	**23,8%**	**26,2%**	**26,9%**	**27,7%**	**28,4%**	**26,7%**	**27,5%**	**28,3%**	**29,0%**	**29,8%**
Corporate tax ($)	57 748	67 685	74 260	81 326	88 917	89 223	97 984	107 394	117 501	128 356
Net profit after tax ($)	**173 244**	**203 054**	**222 781**	**243 978**	**266 752**	**267 668**	**293 951**	**322 182**	**352 503**	**385 067**

Development plan

Key milestones and activities



Benefits for Myanmar and Local Area

Employees

Training

Local Suppliers

Responsible Procurement

Regional Promotion

Architectural landmark

Restaurant		Hotel	
Ned Kelly General Manager* (shared with Hotel)	1	Hotel Duty Manager	1
Restaurant Duty Manager	1	Accountant, admin (shared with F&B)	1
Head Chef*	1	Receptionist	1
Captain (service head)	1	Head House Keeper	1
Kitchen staff	4	Driver, mechanic	1
Service staff	8	Housekeepers	2
Bar staff	3	Security, maintenance	2
Security, maintenance	2	Laundry	2
Cleaners, dishwashers	2		
	23		**11**
TOTAL = 34			

*international staff

Benefits for Myanmar and Local Area

Our approach to the environment

We support Myanmar in establishing a sustainable program for eco-resorts. Hotels can be rated via a rigorous set of rules in order to achieve a high rating for being eco-friendly, sustainable and responsible.

Travel should be almost synonymous with eco-friendly vacations: resorts, hotels, villas and all inclusive resorts that cater as much to the environment as to a guest's comfort. This should be an homage to a nation's spectacular natural resources, its environmental policies, responsible tourism projects, and initiatives to preserve its natural habitats and wildlife.

When an individual chooses to travel sustainably, it is about more than a guilt-free vacation: you're supporting local communities, helping fund land and animal protection, and investing in a better, greener future.

We want to develop sustainable products that promise an incredible experience and a low-impact vacation.

Lease

-1-

PROPERTY LEASE AGREEMENT ESTABLISHMENT OF RESTAURANT, HOTEL AND BAR

101 29th Street Mandalay Myanmar

Two consecutive 5-year terms

Excellent relationship with the landlord

Renovation designs approved by the owners

Legal obligation to develop the property as proposed

Secure multi-year agreement for the property (land and building) concluded

Corporate Details

Ned Kelly Co. Ltd., Company Registration No.: 660FC/2017-2018 (YGN)

Incorporated in the Republic of the Union of Myanmar

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်အစိုးရ
စီမံကိန်းနှင့်ဘဏ္ဍာရေးဝန်ကြီးဌာန

ကုမ္ပဏီမှတ်ပုံတင်လက်မှတ် (ယာယီ)

အမှတ် ၆၆၀ အက်ဖ်စီ/ ၂၀၁၇–၂၀၁၈ (ရက)

မြန်မာနိုင်ငံ ကုမ္ပဏီများ အက်ဥပဒေအရ နက်ဒ် ကယ်လီ ကုမ္ပဏီ လီမိတက် ....အား ပေးရန်တာဝန် ကန့်သတ်ထားသော လီမိတက် ကုမ္ပဏီအဖြစ် ၂၀၁၇ ခုနှစ်၊ အောက်တိုဘာ လ၊ ၂၀ ရက်နေ့တွင် မှတ်ပုံတင်ခွင့်ပြုလိုက်သည်။

ညွှန်ကြားရေးမှူးချုပ်(ကိုယ်စား)
(နီလာမူ ၊ ညွှန်ကြားရေးမှူး)
ရင်းနှီးမြှုပ်နှံမှုနှင့်ကုမ္ပဏီများညွှန်ကြားမှုဦးစီးဌာန

THE GOVERNMENT OF THE REPUBLIC OF THE UNION OF MYANMAR
MINISTRY OF PLANNING AND FINANCE

CERTIFICATE OF INCORPORATION (TEMPORARY)

NO. ....660 FC.... of ....2017-2018 (YGN)

I hereby certify that .....NED KELLY COMPANY LIMITED........................ .... is incorporated under the Myanmar Companies Act as a Limited Company on the ....TWENTIETH.................. day of ......OCTOBER, ...TWO THOUSAND AND SEVENTEEN...

For Director General
(Nilar Mu - Director)
Directorate of Investment and Company Administration

THE GOVERNMENT OF THE REPUBLIC OF THE UNION OF MYANMAR
MINISTRY OF PLANNING AND FINANCE
FORM 1
FORM OF PERMIT (TEMPORARY)
(See section 27 A)

Permit No. 660 FC / 2017-2018(YGN)
Date ...20th October, 2017...............

The Ministry of Planning and Finance of the Government of the Republic of the Union of Myanmar in pursuance of the Myanmar Companies Act hereby grants a permit to the ....NED KELLY COMPANY LIMITED........ .... in respect of which particulars are detailed below, to carry on its business within the Republic of the Union of Myanmar subject to the provisions contained in the said Act.

(1)	Name of the Company	Ned Kelly Co., Ltd.
(2)	Country of incorporation of the company.	The Republic of the Union of Myanmar.
(3)	Location of the company's Head Office and / or Principal Office in the Republic of the Union of Myanmar.	No.11, Kan Yeik Thar Road, Tha Pyae Kone Quarter, Mingalar Taung Nyunt Township, Yangon.
(4)	The object for which the company is formed (field of business).	Construction Services.
(5)	(a) The amount of Capital and the number of shares into which the Capital is divided.	USD 50,000 divided into 50,000 shares of USD 1 each.
	(b) If more than one class of shares is authorised, the description of each class.	Only one class.
(6)	The names, addresses and nationality of the directors.	As per List attached.
(7)	The maximum amount of indebtedness which may be incurred by the company and also a prohibition against the contracting of debts in excess of that amount.	As per conditions attached.
(8)	Period of validity of permit.	October 20, 2017 to April 19, 2018. (SIX MONTHS)
(9)	Statement of compliance with legal requirements for issue of Capital including the amount to be paid in before business is commenced.	As per conditions attached.
(10)	Statement of compliance with such conditions as may be prescribed.	The conditions attached to the permit and conditions as may be prescribed from time to time are also to be strictly adhered to by the company.

By order

For Director General
(Nilar Mu- Director)
Directorate of Investment and Company Administration

Corporate Details

Ned Kelly Co. Ltd., Company Registration No.: 660FC/2017-2018 (YGN)

Incorporated in the Republic of the Union of Myanmar

FORM XXVI

PARTICULARS OF DIRECTORS, MANAGERS AND MANAGING AGENTS AND OF ANY CHANGES THEREIN

(Myanmar Companies Act, See Section 87)

040714

Name of Company : NED KELLY COMPANY LIMITED

Presented by : MR. ANTHONY RAE (MD)

The Present Christian name or names of surnames	Nationality, National Registration Card No.	Usual Residential Address	Other Business Occupation	Changes
1. Mr. Anthony Rae	Australian P.P.No. PE0395646	No. C6 Dhevan Dara Resort, 451 Hua Hin-Huaymongkol Road, Hua Hin, Prachuap Kirit Khan 77110, THAILAND.	Businessman	Appointed as Managing Director w.e.f. 27 October 2017
2. Mr. Dylan George Rae	Australian P.P.No. PE0405114	No. C6 Dhevan Dara Resort, 451 Hua Hin-Huaymongkol Road, Hua Hin, Prachuap Kirit Khan 77110, THAILAND.	Businessman	Appointed as Director w.e.f. 27 October 2017

NOTE : (1) A Complete list of the Directors or Managers or Managing Agents shown as existing in the last particulars.
(2) A note of the changes since the last list should be made in the column for "Changes" by placing against the new Director's name the word "in place of .... and by writing against any former Director's name the the word "dead" "resigned" or as the case may be giving the date of change against the entry.

Dated this 27 October 2017

Ned Kelly Company Limited
Reg.No. 660FC/2017-2018(YGN)

Signature ....

Designation Mr. Anthony Rae
Managing Director
NED KELLY COMPANY LIMITED

Form (26)

012048

မြန်မာနိုင်ငံကုမ္ပဏီများအက်ဥပဒေ

အစုရှယ်ယာများဖြင့် ပေးရန်တာဝန် ကန့်သတ်ထားသော အများနှင့် မသက်ဆိုင်သည့် ကုမ္ပဏီ

နက်ဒ် ကယ်လီ ကုမ္ပဏီ လီမိတက်

၏

သင်းဖွဲ့မှတ်တမ်း

နှင့်

သင်းဖွဲ့စည်းမျဉ်းများ

❖ ❖ ❖ ❖

THE MYANMAR COMPANIES ACT

PRIVATE COMPANY LIMITED BY SHARES

Memorandum Of Association

AND

Articles Of Association

OF

NED KELLY COMPANY LIMITED

BES (Hong Kong) Ltd. 2601 Universal Trade Centre, 3-5 Arbuthnot Rd Central, Hong Kong
BES (Myanmar) Co., Ltd. Office: No. 11, Kan Yeik Thar Road, Tha Pyae Kone Quarter,Mingalar Taung Nyunt Township, Yangon MM 11221 T: +95 1377992,+95 1377043

